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United States Employment Service and Demobilization

By I. W. LITCHFIELD

WHEN without hint or warning the European War was suddenly terminated, even before the complex mechanism of our great war machine had begun to synchronize, we found ourselves in the position of the German commanders, who, having trained an army for offensive operations, found it extremely difficult to retreat. There was no indication that Germany would weaken for months, and indeed preparations had been made for a possible continuance of the war through a period of years. No one had contemplated or considered the stoppage of the production machinery, much less the reversal of some of its trains, and when the armistice was signed, it was with a distinct shock that we contemplated demobilization and reconstruction, with its new adjustments and changed conditions. Millions of men had been taken from industry and transferred to the army and navy. Millions more were engaged in production of materials that were not needed when hostilities ceased. Factories had been changed over for the production of essential war-time material, and large additions to the plants had been made. Washington was frankly in a state of consternation. Even with the most intelligent action on the part of governmental authority, a critical condition seemed inevitable. If the immediate peace-time demands were large enough and sufficiently varied to absorb the labor that would soon be released from war work, the problem would be merely one of adjustment, but if during the transfer it developed that there was a lack of confidence in the future, and there should occur the dreaded period of "marking time," only the wisest governmental management could prevent a period of stagnation. The most serious feature of the case was that a tremendous number of men ordinarily engaged in out-of-door work were to be thrown out of employment at the beginning of winter, when there would be little opportunity for them to work on farms, highways, railroads or building projects.

In England a committee under the minister of munitions had been

studying reconstruction almost from the time the war began. Very complete plans for redistribution of labor and allocation of materials had been made, and almost coincident with the signing of the armistice these plans were made public. No such study had been given to the matter on this side of the water. A short time ago the President had asked the Council of National Defense to make a study of certain phases of reconstruction, but the committee in charge had hardly had time to do more than make a rough survey of the field.

AGENCIES FOR LABOR DEMOBILIZATION

The agencies upon which the responsibility should rest for the demobilizing of the army and the proper allocation of materials, taking into consideration the needs of Europe, are the War Industries Board, in connection with the Food and Fuel Administrations and the War Trade Board, the Department of Labor and the General Staff of the Army. The United States at this moment stands as the industrial arbiter of the world. It represents a great public service corporation upon which rests responsibility for universal service. An essential part of the raw material and finished products needed in Europe must be furnished by this country. The obligation is chiefly an economic one, because if the loans to our associates are to be reimbursed, they must be placed in a position to earn and pay. It therefore seemed important that some governmental agency should determine how much material could be spared for European reconstruction and allocate the remainder that can be devoted to the readjustment of domestic industry for the requirements of civilian consumption. It seemed obvious that if a scientific redistribution was to be made it should be done through the agencies which had proved their worth during the time of stress, and which could be trusted to conserve our available supplies so long as such conservation might be needed. It also seemed obvious that the War Industries Board was particularly well equipped to supervise the redistribution of material in connection with the other war boards, because of its detailed knowledge of industry, and its intimate connection with every form of production. Unfortunately no announcement of such a redistribution committee has been made as this is being written. With the knowl-

edge and needs of industry indicated by the allotment of material, the Labor Department would be equipped to direct returning soldiers, and distribute the army of war workers in this country to peace-time occupations, provided the Secretary of War would recognize the industrial necessity and demobilize the army in accordance with the suggestion of the Department of Labor.

DEVELOPMENT OF THE UNITED STATES EMPLOYMENT SERVICE

Although the machinery of the employment service was designed to be ready for quick reversal, incomplete organization found it somewhat unprepared. The foundations for the structure had been laid throughout the states and some parts of it were practically completed, but it had only had half the time for construction of most of the other war agencies, and had not yet nearly reached its maximum efficiency. It was something of a war afterthought. A brief history of its development may be suggestive of its possibilities for post-war labor placement.

In July, 1917, four men having somewhat similar ideas on the subject of man power for the needs of war industries chanced to meet in Washington, and after casting their fortunes together for the purpose of securing men for the government and governmental contractors, looked about for a connection that would give them the proper scope and facilities. They were logically drawn to the Department of Labor, where they found sympathetic interest and attention, and through the coöperation of Secretary Wilson, founded the U. S. Public Service Reserve. A national organization was projected, consisting of a national director and associates in Washington, state directors, county directors, and enrollment agents in communities. The more important states were organized at once, and before the end of the year the organization was completed in practically all of the states, and the work of recruitment for the various governmental operations was well under way. In the meantime a great need for administrators, engineers and technical men had developed in Washington largely for commissioned men in the army and navy, and before the end of the year the original 6,000 engineers with which the reserve started, had been increased to 18,000, and a large number of these men had been placed in positions of responsibility.

The first important work of the reserve was entrusted to it by

the Shipping Board, through Mr. Hurley, who designated it as the agency to fill the needs of the shipyards. This commission covered the requirements of some 160 yards on both coasts, and as shortages developed in the needed trades, the 15,000 enrollment agents of the reserve became more and more useful. By this time the state machinery had become so well articulated that when on various occasions the army required many thousands of men for special induction purposes, the reserve was able to furnish them very quickly and exactly according to specifications.

The department had for some time contemplated the establishment of a national employment service, but had not been in a position to accomplish it. There were in existence about ninety departmental employment offices that had been created from time to time, primarily to place immigrants. Many of these offices were located at or in the vicinity of immigration stations, and although they had been used for placing common labor other than immigrants, they did not attract the higher class of artisans. In the spring of 1918 the employment offices were divorced from the immigration service, and the U. S. Employment Service was created. This organization was superimposed upon the U. S. Public Service Reserve, which had been in effect an employment service, for although its province was principally recruiting, it had of necessity done considerable placement. More than half of the state directors of the U. S. Public Service Reserve were immediately made directors of the U. S. Employment Service, and in states where the two were not identical, a close coöperation was established. The reserve was given the work of recruiting, while the employment service took charge of the placement as well as of such recruiting as it could readily handle. It is obvious that the creation of such a large organization in a short space of time brought about embarrassments and necessitated many changes, and that ideal conditions could not obtain everywhere. Neither was it possible at all times to work with the best coöperation where the director of the U. S. Employment Service and the director of the U. S. Public Service Reserve were not identical. In general, however, the operation of the service was very effective.

At the time the reserve was formed, one of its objects was to establish a system of scientifically operated state employment services, divorced as far as possible from politics and other con-

siderations, with national supervision, and so organized that it would be possible to get the statistics of employment and non-employment from every part of the country. Because of the practical nature of this information, an effective intra-state clearance system could be established, which would result in reducing congestion either of labor or work at any one point, and thus, to some extent, avert industrial crises. With national supervision and clearance, a perfect distribution of labor would be afforded, and the information readily at hand would be indicative to some degree of the country's needs. This would have an influence in directing apprentices to needed trades, as well as on the output of industrial schools.

When the employment service was formed there was but one state that had even the skeleton of a working system, and even this was very imperfect. At the present time every state in the union has a federal state director of employment, with a director of the U. S. Public Service Reserve in every county, and an enrollment officer in every community. The total number of federal employment offices in the country is now approximately 850. As the service was originally laid out, the country was divided into zones corresponding to the federal reserve bank zones. In each of these zones there was a district superintendent of employment who had general oversight of the states within the area of his jurisdiction, all under the general direction of Washington. In some instances this plan did not work well, as in the keen desire to expedite organization, some appointments of district superintendents were not agreeable to the state directors upon whom the brunt of the burden naturally rested. It was therefore decided to eliminate the district superintendents, and the district offices were made the clearing houses for fiscal matters within the zones.

Up to January, 1918, the U. S. Public Service Reserve had been privately financed. About that time Congress made an appropriation of \$250,000, to which the President added \$800,000 from his war fund, upon which the employment service was operated up to the first of July. About that time Congress made an appropriation of five and a half millions. As this did not occur until the middle of the year, and the pressure for results was serious, much latitude should be given for the errors that crept into the

administration of the service, due to the imperative need for quick organization.

Aside from the difficulties in organization, the service was under other very serious handicaps. Employers were not at all particular as to how they secured labor. Government contractors having cost-plus contracts were bidding against each other, and even against the government departments, advertising high rates of wages all over the country, and seriously disturbing industry. They presented extravagant requisitions to the employment service, and when these requisitions were literally filled were unable to take on the men secured. Men recruited before the materials on which they were to work were delivered were thus made to lose much valuable time. The food, sanitation and housing afforded at the camps of some of the large projects were beneath criticism. There was oftentimes bad management, which put the laborers under many hardships. "Soft" men, those men having had little past experience, were not given an opportunity to work into their occupations gradually, although there was a tremendous dearth of men and a need for conservation of human material. These, together with many other causes, produced a tremendous turnover of labor. There was furthermore a waste of time and money, caused by the transporting of men over long distances, while other contractors were bringing men in the opposite direction, so that the utmost confusion existed up to the time that the President issued a proclamation making it obligatory upon all employers of more than 100 unskilled laborers to secure labor through the U. S. Employment Service. This proclamation tended to stabilize the movement of unskilled labor throughout the country, and placed the burden of recruiting largely on the state directors.

In order to strengthen the machinery within the state, state advisory boards were created, composed of two men and one woman representing the employers, and two men and one woman representing the employes, with the state director of the U. S. Employment Service as chairman. In the larger centers community boards were established, which were advisory to the local employment offices and subject to the state director. These consisted of one man and one woman representing the employers and one man and one woman representing the employes, with the

manager of the office as chairman. The operation of the community boards has been in general most effective. There has been some necessary delay in making appointments and some delay in giving full instructions, but in connection with the state advisory boards it may be said that they have had a tremendous auxiliary effect on the service, bringing in the element of local interest and tending to increase efficiency.

It will be noticed that no restrictions were placed upon the securing of skilled labor by employers, and the abuses that occurred early in the war were many and varied. The worst factors were the advertising for workmen by the larger concerns having cost-plus contracts at wages much higher than contractors with straight contracts could afford to pay, and the stealing of men from government contractors engaged in war work. Through propaganda sent out by the employment service, and through the strenuous exertions of some of the state directors, employers who had been engaged in these abuses were shown that they were reactionary, and as the facilities of the service for furnishing skilled labor increased, the necessity for this sort of thing became less, and was largely done away with.

It will thus be seen that when the cessation of hostilities occurred, the employment service had an organization throughout every state in the Union, ramifying into every little community; an organization that had been tried out for recruiting purposes time and time again with great success, not only for the general requirements of war industry, but also for the military arms. The district organizers who had been assisting the state directors in organizing and instructing the community boards for the purpose of recruitment, immediately turned to the local problems of placement of returned soldiers and others, and in connection with the War Industries Board, paid secretaries were appointed to act with the larger community boards to insure effective work, and to keep the state directors and Washington fully posted on the conditions of employment and non-employment. On the signing of the armistice, the community boards were immediately asked by wire to make a quick survey of the opportunities for employment in various lines of work and communicate them to Washington for the information of the Department of Labor and the War Industries Board. The scope of this information is in-

icated by the fact that the service has about 1500 community boards and about 850 local employment offices.

REVAMPING THE EMPLOYMENT SERVICE FOR POST-WAR NEEDS

The effectiveness of the U. S. Employment Service is shown by the fact that up to the first of November, 2,500,000 men had been directed to employment by the service, and at least 2,000,000 of them had found employment. Authentic figures were not available until the first of November, but during that month over 400,000 persons were placed by the service.

It must be remembered that the early work of the Public Service Reserve was largely confined to the placing of executives and professional men, principally engineers, in government service. The reversal of this work will require a very different form of organization, and plans are now being made for a professional section, with at least two zone offices, one in New York and one in Chicago, with facilities for directing men of higher qualifications to employment. The army will find out from its questionnaire how many of the officers desire to be assisted in securing business connections and give the information to the employment service. The new section of the employment service will be devoted to the work of placing these men, and through its state organizations can quickly ascertain the needs of employers all over the country. Undoubtedly some of this work will be done through the offices of the state directors, but the zone offices which will be operated in connection with the engineering societies will be in touch with all the principal opportunities, and will become the point of contact between professional men and concerns desiring their services.

As this article is being written, an exchange for teachers is contemplated. If the plans suggested are carried out, a close arrangement will be made with the U. S. Bureau of Education. A section for handicapped men is already being started, and at least six clearing house offices will be established by the time this article is published. Such a service has been maintained in the Chicago office, and during the last year 26,000 men, all of them crippled or otherwise handicapped by accident or infirmity, have been placed. Other useful lines of activity will be taken up by the service just as soon as proper attention can be given them.

It will thus be seen that even if the army is not disbanded with reference to industrial needs, the employment service will get quick contact with the discharged soldier, and is in position to secure employment if such employment exists. It will be further seen that with the addition of the special sections above indicated, the service will be rounded out to meet practically every need and will be the one central point of contact between the employer and employe from the highest to the lowest. The aim of the Department of Labor is now to improve this employment work, and give the highest type of service. Already the facilities of some of the offices that have proved highly useful are being extended, while others that will be unnecessary without the war emergency are being discontinued. Training schools are being established for examiners of skilled labor, and with the development of the work of the professional and special sections the number of zone offices will be increased as may be necessary.

It is the hope of those who have been instrumental in organizing the employment service that its operation throughout the states of the union, during the period of reconstruction, will so demonstrate its usefulness that their original aim may be realized,—that of a great national employment system, with the state as a unit, which will insure the best possible distribution of labor, prevent congestion, and reduce non-employment to a material degree.